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Attorneys for the Securities Commissioner

IN THE FIRST JUDICIAL DISTRICT COURT FOR THE STATE OF MONTANA  
LEWIS AND CLARK COUNTY

STATE AUDITOR, EX OFFICIO SECURITIES )  
COMMISSIONER FOR THE MONTANA, )  
Petitioner, )

vs. )

KEITH KOVICK, individually and in his capacity )  
as agent for the named respondent companies; )  
ROBERT CONGDON, individually and in his )  
capacity as agent for the named respondent )  
companies; DAN WOLSKY, individually and in )  
his capacity as agent for the named respondent )  
companies; DAN KLEMANN, individually and in )  
his capacity as agent for the named respondent )  
companies; )

CORNERSTONE FINANCIAL CORPORATION )  
13 2<sup>nd</sup> Ave, Polson, MT, 59860 )

D & D MANAGEMENT and PROPERTY )  
DEVELOPMENT, INC. )  
466 Misty Vale Lane, Corvallis, MT 59828 )

Respondents. )

Cause No. \_\_\_\_\_

PETITION FOR  
INJUNCTIVE RELIEF

The Montana State Auditor, acting in her capacity as Securities Commissioner (hereafter "Commissioner"), by and through John Mudd and Roberta Cross Guns, Special Assistant Attorneys General, respectfully petitions this Court to grant injunctive relief in the form of a permanent injunction restraining the above-named Respondents from committing securities fraud from Montana and a temporary restraining order protecting assets and property from removal or disposal. Said assets and property are held or controlled by the named Respondents and said assets and property were obtained through fraudulent acts against Montana investors. This petition is made pursuant to the provisions of §§ 30-10-305 (1) (b), 30-10-301, 30-10-306, 27-19-201 (1), (2), (4), 27-19-301, and 27-19-314, MCA. In support of this Petition, the Commissioner makes the following:

#### ALLEGATIONS

1. This court has jurisdiction to hear this matter pursuant to § 30-10-305 (1) (b), MCA and §§ 30-10-102, 201, and 305, MCA. The Commissioner has authority over the above-named Respondents' actions done or made or engaged in that are in violation of the Montana Securities Act, § 30-10-101, *et seq.*, MCA. Securities transactions are regulated by the Commissioner from her office in Helena. The Commissioner's statutory duties include construing the Montana Securities Act to "protect the investor, persons engaged in securities transactions, and the public interest" pursuant to § 30-10-102 (1), MCA, to ensure persons engaged in securities transactions are properly registered to do so pursuant to § 30-10-201, MCA, and to seek redress from a district court when necessary to fulfill these various purposes pursuant to § 30-10-305, MCA.

2. Respondents are not currently registered nor have they ever been registered by the Montana Securities Department to transact any securities business in or from Montana, in violation of § 30-10-201, MCA.

3. Cornerstone Financial Corporation (hereafter "Cornerstone") is located in Polson, Montana and represents itself as "Montana's Premier Hard Money Source<sup>1</sup>." Cornerstone's principals are Robert Congdon (hereafter "Congdon") and Keith Kovick (hereafter "Kovick".) Acting as Cornerstone's agents, Congdon and Kovick solicit investors seeking high interest rates and then lend the investors' money to companies and individuals wanting to borrow money.

4. Cornerstone represents to investors that its interest bearing investment opportunities are "securitized" by real property. Cornerstone receives a commission, usually 10%, for its efforts in soliciting investors. An example of the solicitations made by Cornerstone is attached as Exhibit A.

5. D & D Management and Property Development (hereafter "D & D Management") is a property management and development company located in Corvallis, Montana that relies on Cornerstone to find investors who will fund D & D Management's various real estate projects. D & D Management buys, sells and develops real property, often using money raised by Cornerstone from investors who seek high interest rates. The principals of D & D Management are Dan Klemann (hereafter "Klemann"), who resides in Belgrade, Montana and Dan Wolsky (hereafter "Wolsky"), who resides in Corvallis, Montana.

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<sup>1</sup> "Hard money" is also referred to as "private money". The money used for investment purposes comes from people, not a typical lending institution. The first priority for hard money lenders is to protect their investment capital. [www.foreclosureuniversity.com](http://www.foreclosureuniversity.com)

6. In or near June 2006, Kovick and Congdon, as agents of Cornerstone solicited 9 investors, specifically Investors 3, 15, 18, 27, 41, 50, 55, 59 and 60<sup>2</sup>, (hereafter "Tract A Investors,") to invest an aggregate of \$750,000 in an investment opportunity offered by Wolsky and Klemann through D & D Management. The investment opportunity offered by Cornerstone to the Tract A Investors was to be securitized by a parcel of real estate located in Gallatin County.

7. Kovick and Congdon represented to Tract A Investors that the investment opportunity offered in the form of a promissory note was securitized by real property having a value equal to or greater than the aggregate investment. Tract A Investors were told an appraisal had been completed on the real property securitizing the investment, that improvements and development would occur on the real estate, and that Kovick or Congdon had personally inspected the real property.

8. Kovick and Congdon promised Tract A Investors a 15% annual rate of return on their investment, with interest payments on a monthly basis. Marketing materials provided to these investors stated the first year's interest payments would be deposited at the time of the initial investment with an escrow company and that documents securing the investment would be held at an escrow company of the investor's choice.

9. Each of the Tract A Investors invested money through Cornerstone for an aggregate amount of \$750,000. A copy of the promissory note used to evidence the investments by the Tract A Investors is attached as Exhibit B. Cornerstone withheld \$75,000 of the investors' aggregate investment as a commission for its efforts and withheld \$112,500 of the aggregate as reserve funds which were to be deposited to an escrow account. D & D

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<sup>2</sup> The Commissioner has a duty to protect the identities of the investors, and has therefore identified these individuals by number. Each of these investors are Montana residents.

Management received \$562,500 of the investors' funds and entered into promissory notes with the investors to repay the aggregate \$750,000.

10. Upon investigation, the Department determined that the first year's interest payments were retained by Cornerstone and were commingled with Cornerstone funds, rather than being held in an escrow company, as represented. The Department also determined that the appraisal for the real property securitizing the promissory notes was never completed by a properly licensed appraiser and misrepresented the actual market value of the real property, overstating the appraised value when it was only worth a fraction of the investor's aggregate investment. Additionally, it does not appear Kovick or Congdon personally inspected the real property securitizing the promissory notes.

11. D & D Management represented to the Tract A Investors there were roads, wells, phone lines and fiberoptic lines the real property securitizing the investors' promissory notes. The Department's investigation determined the following facts relevant to the securitizing property:

- a. Only one well services Tract A and four additional 160 acre tracts.
- b. Only limited seasonal access exists to the securitizing property by a narrow dirt road.
- c. Phone and fiber-optic lines are more than a mile away from the property.

12. The Department's investigation also determined the land was purchased by D & D Management in November 2005 through a loan from Cornerstone at a purchase price of \$2,439 per acre but represented to investors a month later as having a sales value of \$9,500 per acre, even though no improvements were made to the real property.

13. Based on information reviewed by the Department, it appears Kovick, Congdon, Wolsky, Klemann, Cornerstone and D & D Management engaged in the same or similar conduct as described in paragraphs numbered 5 through 10 during the time period between June 2006 and November 2006, with regard to three additional similar tracts of land by soliciting additional investors identified herein as Investors 1, 2, 4, 9, 11, 12, 13, 14, 21, 26, 28, 30, 31, 32, 33, 39, 40, 42, 48, 49, 51, 52, and 53. Copies of the promissory notes used to evidence the investments by the three other tract investors is attached as Exhibit C.

14. The investors in the three additional tracts invested an aggregate of \$2,250,000 in securitized promissory notes. Cornerstone earned an aggregate commission of \$225,000. Cornerstone withheld \$337,500 of the aggregate as reserve funds which were to be deposited to an escrow account but, instead were co-mingled with Cornerstone's operating funds, more than doubling its profit on the loan. D & D Management received \$1,687,500 of the investors' funds and entered into promissory notes to repay the aggregate \$2,250,000.

15. Tract A Investors and investors in the three additional tracts initially received their monthly payments as promised, but the monthly payments have ceased, the real property securitizing the investment opportunity has gone into foreclosure and none of the investors have received any of the promised return of the principal.

16. Tract A Investors and the three additional tract investors have had to incur attorney fees in an attempt to get their principal back. None of the proposed development on the securitizing real property represented to investors occurred, and infrastructure on the real property has been removed, effectively decreasing the value of the real property even more.

17. Based on information the Department reviewed, it appears neither Kovick, Congdon, Wolsky, Klemann, Cornerstone nor D&D Management provided full disclosure to Tract A Investors and the additional tract investors regarding the following material facts:

- a. The risks involved with the investment.
- b. The financial condition of Cornerstone or D & D Management.
- c. How Cornerstone would generate the 15% return on the investments.
- d. Pertinent information regarding the directors, officers or other persons having similar status or performing similar functions for Cornerstone or D & D Management, including but not limited to, their names, principal occupation for the previous five years, ownership or interest held by each person.

- e. The real property securitizing this investment opportunity had an appraisal value equal to or greater the aggregate investments, when, in actuality, it was worth only a fraction of that amount.

- f. The first twelve months' of interest payments for these investment opportunities would be held by an escrow company when it was, instead, held by Cornerstone and co-mingled with other funds.

- g. None of the Respondents were registered to transact securities business in the state of Montana.

- h. The investment opportunities were not registered in the state of Montana, as required.

18. The facts alleged above are supported by the attached documentation found in Exhibits A, B and C and by the attached sworn affidavit of Deputy Securities Commissioner, Lynne Egan.

19. Because the facts alleged above represent clear violations of the Montana Securities Act as found in Title 30, Chapter 10, MCA, and may be violations of felony statutes, including § 30-10-306, MCA, the Commissioner is entitled to relief that includes restraint of Respondents' acting in violation of the Montana Securities Act. Additionally, the alleged facts indicate Respondents may have possession of or control of assets that were obtained through the use of money they acquired by fraudulent means and belong to others.

20. The Commissioner has reason and belief that some of the assets obtained by virtue of the Respondents' fraudulent acts in violation of the Montana Securities Act are being disposed of or encumbered for the benefit of the Respondents rather than to repay their investors.

WHEREFORE, the Commissioner seeks the following relief:

1. That this Court issue a temporary restraining order pursuant to § 27-19-314, MCA restraining Respondents from committing further violations of the Montana Securities Act;

2. That this Court issue a temporary restraining order pursuant to § 27-19-314, MCA, restraining Respondents from transferring or attempting to transfer or otherwise dispose of any property they possess or control that may belong to the investors by virtue of their investments including, but not limited to the property identified in attached Exhibit D.

3. That this Court issue a temporary restraining order pursuant to § 27-19-314, MCA, restraining Respondents from transferring or attempting to transfer or otherwise dispose of any moneys held in accounts owned or controlled by Respondents Cornerstone Financial, D & D Management, Congdon, Kovick, Klemann and/or Wolsky as that money may not belong to any of the named Respondents and may have been obtained through fraud; and

4. That this Court set a hearing for the Respondents to Show Cause pursuant to §§ 27-19-201 (1) and 30-10-305, MCA why they should not be restrained or enjoined from

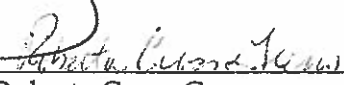


conducting securities business without proper licensure, from transferring property or money over which they have control or possession, but may not own, and from further fraudulent acts.

DATED this 25<sup>th</sup> day of February 2009.



\_\_\_\_\_  
John Mudd  
Special Assistant Attorney General



\_\_\_\_\_  
Roberta Cross Guns  
Special Assistant Attorney General

JOHN MUDD  
ROBERTA CROSS GUNS  
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Attorneys for the Securities Commissioner

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STATE AUDITOR, EX OFFICIO SECURITIES )  
COMMISSIONER FOR THE MONTANA, )  
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KEITH KOVICK, individually and in his capacity )  
as agent for the named respondent companies; )  
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capacity as agent for the named respondent )  
companies; DAN WOLSKY, individually and in )  
his capacity as agent for the named respondent )  
companies; DAN KLEMANN, individually and in )  
his capacity as agent for the named respondent )  
companies; )

CORNERSTONE FINANCIAL CORPORATION )  
13 2<sup>nd</sup> Ave. )  
Polson, MT, 59860 )

D & D MANAGEMENT and PROPERTY )  
DEVELOPMENT, INC. )  
466 Misty Vale Lane )  
Corvallis, MT 59828 )

Respondents. )

Cause No. \_\_\_\_\_

AFFIDAVIT IN SUPPORT OF  
PETITION FOR INJUNCTIVE  
RELIEF (LYNNE EGAN)

STATE OF MONTANA )  
 )  
 ) ss.  
County of Lewis and Clark )

I, Lynne Egan, Deputy Securities Commissioner for the State of Montana, being first  
duly sworn upon oath, depose and say:

1. I am the Deputy Securities Commissioner charged with enforcing the Montana Securities Act, including investigating complaints and allegations of violations of said Act.


2. I referred a written complaint from a person residing in Libby, Montana to Investigator Susan Davis, who I supervise as part of my duties as the Deputy Securities Commissioner for Montana. The written complaint involved Cornerstone Financial Corporation, D & D Management and the individuals named in the above caption.

3. I instructed Ms. Davis to investigate this complaint according to our standard investigation procedures. I also conferred with her on numerous occasions regarding the investigation of this case because additional complaints about the same Respondents have come into the Securities Department since the initial complaint was received.


4. Ms. Davis prepared a final investigation report for my review and for referral to the State Auditor's Office's legal unit.

5. Based on my review of Ms. Davis' findings, I believe Cornerstone Financial Corporation, D & D Management, and the individuals named as Respondents in this caption have committed numerous violations of the Montana Securities Act, including the criminal provisions of the Act.

6. Based on my personal knowledge of this case and my review of the information gathered while investigating this matter, the statements made in this affidavit are true and accurate.

  
\_\_\_\_\_  
Lynne Egan  
Deputy Securities Commissioner

SUBSCRIBED AND SWORN to before me this 25<sup>th</sup> day of February, 2009.

  
\_\_\_\_\_  
Michelle Huftel  
Notary Public for the State of Montana  
Residing at Helena, Montana  
My commission expires: March 29, 2012

(Notarial Seal)

# **EXHIBIT A**

CORNERSTONE FINANCIAL, INC.  
P.O. BOX 1057  
POLSON, MONTANA 59860  
PHONE (406) 883-6669 FAX (406) 883-6655

### LOAN REQUEST

BORROWER \_\_\_\_\_ D&D LAND DEVELOPMENT  
(DAN WOLSKY AND DAN KLEMANN)

PROPERTY \_\_\_\_\_ 160 ACRES LOCATED IN  
THE CHURCHILL AREA NEAR BELGRADE, MT.

ESTIMATED VALUE \_\_\_\_\_ \$1,500,000.00

UNDERLYING LIENS \_\_\_\_\_ TO BE PAID  
AT CLOSING

LOAN AMOUNT \_\_\_\_\_ \$750,000.00

LOAN TO VALUE \_\_\_\_\_ 50%

TERMS \_\_\_\_\_ 5 YEAR INTEREST ONLY

INTEREST RATE \_\_\_\_\_ 15%

PAYMENT AMOUNT \_\_\_\_\_ \$9,375.00

BALLOON AMOUNT \_\_\_\_\_ \$750,000.00

ESTIMATED CLOSING DATE \_\_\_\_\_ 07-28-2006

DATE OF FIRST PAYMENT \_\_\_\_\_ 08-28-2006

BALLOON DATE \_\_\_\_\_ 07-28-2011

ADDITIONAL TERMS: 10% LATE PAYMENT PENALTY AFTER 10 DAYS.  
PREPAYMENT PENALTY: 5% - FIRST YEAR, 4% - SECOND YEAR, 3% - THIRD YEAR.  
BORROWER TO PAY ALL CLOSING COSTS. PARTIAL RELEASES ALLOWED UPON  
SALE, IN THE AMOUNT OF 75%-25%. ONE YEAR OF PAYMENTS TO BE HELD IN  
ESCROW.

AVAILABLE FOR YOUR REVIEW: CREDIT ON BORROWER, UPDATED  
PRELIMINARY TITLE REPORT TO FOLLOW, PICTURES, C.M.A.'S, AND REAL ESTATE  
LISTING PACKAGE.

ADDITIONAL INFORMATION: THIS WILL BE A PROMISSORY NOTE  
SECURED BY A MONTANA MORTGAGE AND ESCROWED AT AN ESCROW  
COMPANY OF YOUR CHOICE. THIRTY GALLON/MINUTE SHARED WELL ON THIS  
PROPERTY. ROADS ARE IN PLACE.

USE OF FUNDS: PAY OFF PARTIAL RELEASE, ADD ADDITIONAL  
IMPROVEMENTS TO PROPERTY.

### SUMMARY

Cornerstone Financial, Inc. has based the above information on data supplied  
by the borrower, credit reporting agencies, title companies and others, but makes  
no guarantees or warranties concerning the accuracy of this data. Investors are  
invited to personally inspect the site and have all documentation reviewed by their  
attorney, accountant, and/or financial advisor.

## **EXHIBIT B**

## PROMISSORY NOTE

PRINCIPAL AMOUNT: \$750,000.00

DUE DATE: June 7<sup>th</sup>, 2011

AS HEREINAFTER PROVIDED, for value received by B & D MANAGEMENT AND DEVELOPMENT, INC., a Montana Corporation, whose mailing address is 466 Misty Vale Loop, Corvallis, Montana 59828, and DAN WOLSKY, individually, of 466 Misty Vale Loop, Corvallis, Montana 59828, and DAN KLEEMAN, individually, of P.O. Box 696, Belgrade, Montana 59714, jointly and severally promise to pay to the order of [REDACTED], as to an undivided 30% interest [REDACTED], whose mailing address is [REDACTED], as to an undivided 20% interest [REDACTED], whose mailing address is [REDACTED], as to an undivided 10% interest, [REDACTED], whose mailing address is [REDACTED], as to an undivided 5% interest, [REDACTED], as to an undivided 10% interest, [REDACTED], as joint tenants with rights of survivorship, of [REDACTED], as to an undivided 10% interest, [REDACTED], as joint tenants with right of survivorship, whose mailing address is [REDACTED], as to an undivided 5% interest, and [REDACTED], as to an undivided 10% interest, the sum of SEVEN

HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00) in lawful money of the United States of America, together with interest at the rate of FIFTEEN PERCENT (15%) per annum on the unpaid principal balance from the date hereof until said principal and interest shall be paid in full.

**COLLATERAL:** This Note is secured by a Montana Mortgage dated June 7<sup>th</sup>, 2006, 2006, on certain real property located in Gallatin County, State of Montana.

**PAYMENT:** In 60 consecutive monthly payments of NINE THOUSAND THREE HUNDRED SEVENTY FIVE AND 00/100 DOLLARS (\$9,375.00) beginning on July 7<sup>th</sup>, 2006, with interest calculated on the unpaid principal balance at the rate of 15% per annum commencing on June 7<sup>th</sup>, 2006, and one principal and interest payment in the amount SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00) on June 7<sup>th</sup>, 2011. Promisors shall also pay any collection fees due to Escrow Services. The estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with all other unpaid amounts under this note. Payments shall be applied first to penalties, then to interest and then to principal. Interest is calculated on a 365/365 simple interest basis. That is, by applying the ratio of the annual interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Acceleration of the payments under this note shall not relieve the Promisors of making the regularly scheduled payments, and all payments shall be applied in the inverse order of maturity. Payments will be made to ESCROW SERVICES, P.O. Box 327, Kalispell, Montana 59903-0327, or at such other place the Holder may designate in writing.

**LATE CHARGE:** If a payment is more than ten (10) days late, a late charge of NINE HUNDRED AND 00/100 DOLLARS (\$900.00) shall be due. The late charge is in addition to actual costs of collection and/or legal fees for preparing and sending notice of default, and/or any other legal action and expenses related to default that may be incurred by the Promisees.

**PREPAYMENT:** Except for the payments called for in this note, no prepayment shall be allowed of any portion of the unpaid balance in the first three years unless a prepayment fee is paid. Payment of the principal balance or any portion thereof in the first year is subject to a prepayment penalty of 3% of the principal amount prepaid. Payment of the principal balance or any portion thereof in the second year is subject to a prepayment penalty of 2% of the principal amount prepaid. Payment of the principal balance or any portion thereof in the third year is subject to a prepayment penalty of 1% of the principal amount prepaid. Unless agreed to by Promisees in writing, early payments will not relieve Promisors of the obligation to continue to make payments under the payment schedule. Rather, they will reduce the principal balance due and may result in Promisors making fewer payments.

**DUE ON SALE:** In the event of a transfer, sale or assignment of any of the secured property, full payment of all amounts owing, both principal and accrued interest, including penalties and/or fees owing, shall be due and payable on closing of said sale. **PARTIAL RELEASES:** If Promisor is not then in default, and scheduled payments have been current for the last 90 days, Promisor shall be entitled to receive a partial release upon payment of the greater amount of SEVENTY-FIVE PERCENT of the sales price or \$7,000.00 per acre of any lot being released located in Gallatin County and further described in the Montana Mortgage dated June 7<sup>th</sup>, 2006. Any parcel sought to be released shall not isolate any remaining property without reasonable access for utility purposes and for roadway purposes so that the remaining property has a road easement to a County road. Any payments for release prices shall be





applied against the principal balance, and such payments shall be made in addition to all other payments required under this Note including the prepayment penalties described above. Upon receipt of said payment, the payment amount due on this note shall be reduced to reflect interest only payments per month until the due date of this note, at which time the entire balance is due in full.

**DEFAULT:** Promisors will be in default if any of the following occurs: (i) failure to make any payment when due, (ii) failure to comply with or to perform when due any other term, obligation, promise, covenant, or condition contained in this Note or any agreement related to this Note, (iii) default under any loan, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of the collateral described herein or Promisors' ability to repay this Note or perform Promisors' obligations under this Note or any of the Related Documents, (iv) any representation or statement made or furnished to Promisees by Promisors or on Promisors' behalf is false or misleading in any material respect either now or at the time made or furnished, (v) any creditor tries to take any of Promisors' property on or in which Promisees have a lien or security interest, (vi) any of the events described in this default section occurs with respect to any guarantor of this Note, (vii) a material adverse change occurs in Promisors' financial condition, or Promisees believe the prospect of payment or performance of the indebtedness is impaired, (viii) Promisees in good faith deem themselves insecure.

Upon default, Promisees may declare the entire principal balance and accrued unpaid interest immediately due, without notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the option in the event of any subsequent default. Promisors agree to pay all costs and expenses, subject to any limits under applicable law, incurred by Promisees, including attorneys' fees and legal expenses whether or not there is a lawsuit. This includes attorneys' fees and legal expenses incurred in collecting any delinquent payments, enforcing other covenants, for suit or foreclosure proceedings, for any bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), for appeals, and for any anticipated post-judgment collection services. In the event any of the Promisors file bankruptcy and Promisees are required to incur attorneys' fees and costs relative to the bankruptcy, Promisees' attorney fees and costs shall be allowed by Title 11 of the United States Code Chapter 506 and related provisions.

**GENERAL PROVISIONS:** Notwithstanding any other provision in this Note or in any instrument given to evidence or secure the obligations evidenced hereby, (i) the rates of interest and the charges provided herein and therein shall in no event exceed the rates and charges which result in interest being charged at a rate equaling the maximum allowed by law, and (ii) if for any reason whatsoever, the Promisees hereof receive as interest in connection with the transaction of which this note is a part an amount which would result in interest being charged at a rate exceeding the maximum rate allowed by law, such amount or portion thereof as would otherwise be excessive interest shall automatically be applied toward the reduction of the unpaid principal balance then outstanding hereunder and not toward the payment of interest.

The makers, sureties, guarantors, and endorsers hereof, to the extent allowed by law, severally waive presentment, demand for payment, protest and notice of dishonor, and consent to any and all extensions of time renewals, waivers, or modifications that may be granted by the Promisees hereof with respect to the payment or other provisions of this Note, and to the release of any security or any part thereof with or without substitution. Presentment, notice and protest are hereby waived. The obligations under this Note are joint and several.

IN WITNESS WHEREOF, the undersigned has set their hand this 14th day of June 2006.

D & D MANAGEMENT AND  
DEVELOPMENT, INC., a Montana  
Corporation

Dan Klemann Vice President  
BY: DAN KLEMANN as Vice President

Dan Wolke by Dan Ke

DAN WOLKE, Individually

Attorney in fact.

H. K.

DAN KLEZMAN, Individually

KLEMAN

1.1.1.1

WITNESSETH

# **EXHIBIT C**

## PROMISSORY NOTE

PRINCIPAL AMOUNT: \$750,000.00

Due Date: August 23rd, 2010

AS HERINAFTER PROVIDED, for value received D & D MANAGEMENT & PROPERTY DEVELOPMENT, INC, a Montana Corporation, whose mailing address is 466 Misty Vale Loop, Corvallis, Montana 59828, and DAN WOLSKY, individually, of 466 Misty Vale Loop, Corvallis, Montana 59828, and DAN KLEEMAN, individually, of P.O. Box 696, Belgrade, Montana 59714, jointly and severally promise to pay to the order of

[REDACTED] to an undivided 33.33% interest, [REDACTED], whose mailing address is [REDACTED] as to an undivided 26.67% interest, [REDACTED], joint tenants with right of survivorship, whose mailing address is [REDACTED] to an undivided 4.66% interest, [REDACTED], joint tenants with right of survivorship, whose mailing address is [REDACTED] as to an undivided 3.33% interest, [REDACTED], joint tenants with right of survivorship, [REDACTED], as to an undivided 2.66% interest, [REDACTED], joint tenants with rights of survivorship, of [REDACTED] as to an undivided 6.34% interest, [REDACTED] whose mailing address is [REDACTED] as to an undivided 9.68% interest, and [REDACTED], as to an undivided 13.33% interest, the sum of SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00) in lawful money of the United States of America, together with interest at the rate of FIFTEEN PERCENT (15%) per annum on the unpaid principal balance from the date hereof until said principal and interest shall be paid in full.

**COLLATERAL:** This Note is secured by a Montana Mortgage dated February 23rd, 2007 on certain real property located in Gallatin County, State of Montana.

**PAYMENT:** In 42 consecutive monthly payments of NINE THOUSAND THREE HUNDRED SEVENTY FIVE AND 00/100 DOLLARS (\$9,375.00) beginning on March 23rd, 2007, with interest calculated on the unpaid principal balance at the rate of 15% per annum commencing on February 23rd, 2007, and one principal and interest payment in the amount SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00) on August 23rd, 2010. Promisors shall also pay any collection fees due to Escrow Services. The estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with all other unpaid amounts under this note. Payments shall be applied first to penalties, then to interest and then to principal. Interest is calculated on a 365/365 simple interest basis. That is, by applying the ratio of the annual interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Acceleration of the payments under this note shall not relieve the Promisors of making the regularly scheduled payments, and all payments shall be applied in the inverse order of maturity. Payments will be made to ESCROW SERVICES, P.O. Box 327, Kalispell, Montana 59903-0327, or at such other place the Holder may designate in writing.

**LATE CHARGE:** If a payment is more than ten (10) days late, a late charge of NINE HUNDRED AND 00/100 DOLLARS (\$900.00) shall be due. The late charge is in addition to actual costs of collection and/or legal fees for preparing and sending notice of default, and/or any other legal action and expenses related to default that may be incurred by the Promisors.

**PREPAYMENT:** Except for the payments called for in this note, no prepayment shall be allowed of any portion of the unpaid balance in the first three years unless a prepayment fee is paid. Payment of the principal balance or any portion thereof in the first year is subject to a prepayment penalty of 5% of the principal amount prepaid. Payment of the principal balance or any portion thereof in the second year is subject to a prepayment penalty of 4% of the principal amount prepaid. Payment of the principal balance or any portion thereof in the third year is subject to a prepayment penalty of 3% of the principal amount prepaid. Unless agreed to by Promisors in writing, early payments will not relieve Promisors of the obligation to continue to make payments under the payment schedule. Rather, they will reduce the principal balance due and may result in Promisors making fewer payments.

**DUE ON SALE:** In the event of a transfer, sale or assignment of any of the secured property, full payment of all amounts owing, both principal and accrued interest, including penalties and/or fees owing, shall be due and payable on closing of said sale. **PARTIAL RELEASES:** If Promisor is not then in default, and scheduled payments have been current for the last 90 days, Promisor shall be entitled to receive a partial release upon payment of the greater amount of SEVENTY-FIVE PERCENT of the sales price or \$7,000.00 per acre of any lot being released located in Gallatin County and further described in the Montana Mortgage dated February 23rd, 2007. Any parcel sought to be released shall not isolate any remaining property without reasonable access for utility purposes and for roadway purposes so that the

EXHIBIT

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removing property has a road easement to a County road. Any payments for release prices shall be applied against the principal balance, and such payments shall be made in addition to all other payments required under this Note including the prepayment penalties described above. Upon receipt of said payment, the payment amount due on this note shall be reduced to reflect interest only payments per month until the due date of this note, at which time the entire balance is due in full.

**DEFAULT:** Promisors will be in default if any of the following occurs: (i) failure to make any payment when due, (ii) failure to comply with or to perform when due any other term, obligation, promise, covenant, or condition contained in this Note or any agreement related to this Note, (iii) default under any loan, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of the collateral described herein or Promisors' ability to repay this Note or perform Promisors' obligations under this Note or any of the Related Documents, (iv) any representation or statement made or furnished to Promisees by Promisors or on Promisors' behalf is false or misleading in any material respect either now or at the time made or furnished, (v) any creditor tries to take any of Promisors' property on or in which Promisors have a lien or security interest, (vi) any of the events described in this default section occurs with respect to any guarantor of this Note, (vii) a material adverse change occurs in Promisors' financial condition, or Promisees believe the prospect of payment or performance of the indebtedness is impaired, (viii) Promisees in good faith deem themselves insecure.

Upon default, Promisees may declare the entire principal balance and accrued unpaid interest immediately due, without notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the option in the event of any subsequent default. Promisors agree to pay all costs and expenses, subject to any limits under applicable law, incurred by Promisees, including attorneys' fees and legal expenses whether or not there is a lawsuit. This includes attorneys' fees and legal expenses incurred in collecting any delinquent payments, enforcing other covenants, for suit or foreclosure proceedings, for any bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), for appeals, and for any anticipated post-judgment collection services. In the event any of the Promisors file bankruptcy and Promisees are required to incur attorneys' fees and costs relative to the bankruptcy, Promisees' attorney fees and costs shall be allowed by Title 11 of the United States Code Chapter 506 and related provisions.

**GENERAL PROVISIONS:** Notwithstanding any other provision in this Note or in any instrument given to evidence or secure the obligations evidenced hereby, (i) the rates of interest and the charges provided herein and therein shall in no event exceed the rates and charges which result in interest being charged at a rate equaling the maximum allowed by law, and (ii) if for any reason whatsoever, the Promisees hereof receive as interest in connection with the transaction of which this note is a part an amount which would result in interest being charged at a rate exceeding the maximum rate allowed by law, such amount or portion thereof as would otherwise be excessive interest shall automatically be applied toward the reduction of the unpaid principal balance then outstanding hereunder and not toward the payment of interest.

The makers, sureties, guarantors, and endorser hereof, to the extent allowed by law, severally waive presentment, demand for payment, protest and notice of dishonor, and consent to any and all extensions of time renewals, waivers, or modifications that may be granted by the Promisees hereof with respect to the payment or other provisions of this Note, and to the release of any security or any part thereof with or without substitution. Presentment, notice and protest are hereby waived. The obligations under this Note are joint and several.

IN WITNESS WHEREOF, the undersigned has set their hand this \_\_\_\_ day of February 2007.

D & D MANAGEMENT & PROPERTY  
DEVELOPMENT, INC., a Montana  
Corporation

Dan Kleemann Vice-President  
BY: DAN KLEEMANN as Vice President

Dan Wolsky - by power of Attorney Dan Kleemann  
DAN WOLSKY, Individually  
Dan Kleemann  
DAN KLEEMANN, Individually

## PROMISSORY NOTE

PRINCIPAL AMOUNT: \$750,000.00

DUE DATE: November 27<sup>th</sup>, 2011

AS HEREINAFTER PROVIDED, for value received D & D MANAGEMENT & PROPERTY DEVELOPMENT, INC, a Montana Corporation, whose mailing address is 466 Misty Vale Loop, Corvallis, Montana 59828, and DAN WOLSKY, individually, of 466 Misty Vale Loop, Corvallis, Montana 59828, and DAN KLEEMAN, individually, of P.O. Box 696, Belgrade, Montana 59714, jointly and severally promise to pay to the order of [REDACTED] whose mailing address is [REDACTED] as to an undivided 33.33% interest, [REDACTED] whose mailing address is [REDACTED] as to an undivided 26.67% interest, [REDACTED] as to an undivided 26.67% interest, and [REDACTED] as to an undivided 13.33% interest, the sum of SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00) in lawful money of the United States of America, together with interest at the rate of FIFTEEN PERCENT (15%) per annum on the unpaid principal balance from the date hereof until said principal and interest shall be paid in full.

**COLLATERAL:** This Note is secured by a Montana Mortgage dated November 27<sup>th</sup>, 2006, on certain real property located in Gallatin County, State of Montana.

**PAYMENT:** In 60 consecutive monthly payments of NINE THOUSAND THREE HUNDRED SEVENTY FIVE AND 00/100 DOLLARS (\$9,375.00) beginning on December 27th, 2006, with interest calculated on the unpaid principal balance at the rate of 15% per annum commencing on November 27th, 2006, and one principal and interest payment in the amount SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00) on November 27th, 2011. Promisors shall also pay any collection fees due to Escrow Services. The estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with all other unpaid amounts under this note. Payments shall be applied first to penalties, then to interest and then to principal. Interest is calculated on a 365/365 simple interest basis. That is, by applying the ratio of the annual interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Acceleration of the payments under this note shall not relieve the Promisors of making the regularly scheduled payments, and all payments shall be applied in the inverse order of maturity. Payments will be made to ESCROW SERVICES, P.O. Box 327, Kalispell, Montana 59903-0327, or at such other place the Holder may designate in writing.

**LATE CHARGE:** If a payment is more than ten (10) days late, a late charge of NINE HUNDRED AND 00/100 DOLLARS (\$900.00) shall be due. The late charge is in addition to actual costs of collection and/or legal fees for preparing and sending notice of default, and/or any other legal action and expenses related to default that may be incurred by the Promisees.

**PREPAYMENT:** Except for the payments called for in this note, no prepayment shall be allowed of any portion of the unpaid balance in the first three years unless a prepayment fee is paid. Payment of the principal balance or any portion thereof in the first year is subject to a prepayment penalty of 3% of the principal amount prepaid. Payment of the principal balance or any portion thereof in the second year is subject to a prepayment penalty of 2% of the principal amount prepaid. Payment of the principal balance or any portion thereof in the third year is subject to a prepayment penalty of 1% of the principal amount prepaid. Unless agreed to by Promisees in writing, early payments will not relieve Promisors of the obligation to continue to make payments under the payment schedule. Rather, they will reduce the principal balance due and may result in Promisors making fewer payments.

**DUE ON SALE:** In the event of a transfer, sale or assignment of any of the secured property, full payment of all amounts owing, both principal and accrued interest, including penalties and/or fees owing, shall be due and payable on closing of said sale. **PARTIAL RELEASES:** If Promisor is not then in default, and scheduled payments have been current for the last 90 days, Promisor shall be entitled to receive a partial release upon payment of the greater amount of SEVENTY-FIVE PERCENT of the sales price or \$7,000.00 per acre of any lot being released located in Gallatin County and further described in the Montana Mortgage dated June 7th, 2006. Any parcel sought to be released shall not isolate any remaining property without reasonable access for utility purposes and for roadway purposes so that the remaining property has a road easement to a County road. Any payments for release prices shall be

applied against the principal balance, and such payments shall be made in addition to all other payments required under this Note including the prepayment penalties described above. Upon receipt of said payment, the payment amount due on this note shall be reduced to reflect interest only payments per month until the due date of this note, at which time the entire balance is due in full.

**DEFAULT:** Promisors will be in default if any of the following occurs: (i) failure to make any payment when due, (ii) failure to comply with or to perform when due any other term, obligation, promise, covenant, or condition contained in this Note or any agreement related to this Note, (iii) default under any loan, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of the collateral described herein or Promisors' ability to repay this Note or perform Promisors' obligations under this Note or any of the Related Documents, (iv) any representation or statement made or furnished to Promisors by Promisors or on Promisors' behalf is false or misleading in any material respect either now or at the time made or furnished, (v) any creditor tries to take any of Promisors' property on or in which Promisors have a lien or security interest, (vi) any of the events described in this default section occurs with respect to any guarantor of this Note, (vii) a material adverse change occurs in Promisors' financial condition, or Promisors believe the prospect of payment or performance of the indebtedness is impaired, (viii) Promisors in good faith deem themselves insecure.

Upon default, Promisors may declare the entire principal balance and accrued unpaid interest immediately due, without notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the option in the event of any subsequent default. Promisors agree to pay all costs and expenses, subject to any limits under applicable law, incurred by Promisors, including attorneys' fees and legal expenses whether or not there is a lawsuit. This includes attorneys' fees and legal expenses incurred in collecting any delinquent payments, enforcing other covenants, for suit or foreclosure proceedings, for any bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), for appeals, and for any anticipated post-judgment collection services. In the event any of the Promisors file bankruptcy and Promisors are required to incur attorneys' fees and costs relative to the bankruptcy, Promisors' attorney fees and costs shall be allowed by Title 11 of the United States Code Chapter 506 and related provisions.

**GENERAL PROVISIONS:** Notwithstanding any other provision in this Note or in any instrument given to evidence or secure the obligations evidenced hereby, (i) the rates of interest and the charges provided herein and therein shall in no event exceed the rates and charges which result in interest being charged at a rate equaling the maximum allowed by law, and (ii) if for any reason whatsoever, the Promisors hereof receive as interest in connection with the transaction of which this note is a part an amount which would result in interest being charged at a rate exceeding the maximum rate allowed by law, such amount or portion thereof as would otherwise be excessive interest shall automatically be applied toward the reduction of the unpaid principal balance then outstanding hereunder and not toward the payment of interest.

The makers, sureties, guarantors, and endorser hereof, to the extent allowed by law, severally waive presentment, demand for payment, protest and notice of dishonor, and consent to any and all extensions of time renewals, waivers, or modifications that may be granted by the Promisors hereof with respect to the payment or other provisions of this Note, and to the release of any security or any part thereof with or without substitution. Presentment, notice and protest are hereby waived. The obligations under this Note are joint and several.

IN WITNESS WHEREOF, the undersigned has set their hand this 21 day of November 2006.

D & D MANAGEMENT & PROPERTY  
DEVELOPMENT, INC., a Montana  
Corporation

BY: Dan Klemann as Vice President

Dan Wolsky by Dan Klemann power of Attorney.  
DAN WOLSKY, Individually

Dan Klemann  
DAN KLEEMAN, Individually

THIS IS A TRUE & CORRECT COPY OF THE ORIGINAL  
NOTE HELD IN THE FILE WITH ESCROW SERVICES

BY: Marilyn Boulden  
ESCROW AGENT



PROMISSORY NOTE

PRINCIPAL AMOUNT: \$750,000.00

NOTE DATE: July 28th, 2011

AS HEREINAFTER PROVIDED, for value received D & D MANAGEMENT AND DEVELOPMENT, INC, a Montana Corporation, whose mailing address is 466 Misty Vale Loop, Corvallis, Montana 59828, and DAN WOLSKY, individually, of 466 Misty Vale Loop, Corvallis, Montana 59828, and DAN KLEMMANN, individually, of P.O. Box 696, Belgrade, Montana 59714, jointly and severally promise to pay to the order of [REDACTED], whose mailing address is [REDACTED], as to an undivided 27% interest, [REDACTED] whose mailing address is [REDACTED], as to an undivided 4.5% interest, [REDACTED] joint tenants with rights of survivorship, of [REDACTED] as to an undivided 7% interest, [REDACTED] as to an undivided 7% interest, [REDACTED] joint tenants with right of survivorship, whose mailing address is [REDACTED] as to an undivided 13.5% interest, and [REDACTED], whose address is [REDACTED], as to an undivided 13.5% interest, [REDACTED] of [REDACTED], as to an undivided 4.5% interest, [REDACTED] of [REDACTED], as to an undivided 3.65% interest, [REDACTED] dated February 8th, 2000, of [REDACTED] as to an undivided 16% interest, and [REDACTED] and [REDACTED] joint tenants with rights of survivorship, of [REDACTED] as to an undivided 3.35% interest, the sum of SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00) in lawful money of the United States of America, together with interest at the rate of FIFTEEN PERCENT (15%) per annum on the unpaid principal balance from the date hereof until said principal and interest shall be paid in full.

**COLLATERAL:** This Note is secured by a Montana Mortgage dated July 28th, 2006, on certain real property located in Gallatin County, State of Montana.

**PAYMENT:** In 60 consecutive monthly payments of NINE THOUSAND THREE HUNDRED SEVENTY FIVE AND 00/100 DOLLARS (\$9,375.00) beginning on August 28th, 2006, with interest calculated on the unpaid principal balance at the rate of 15% per annum commencing on July 28th, 2006, and one principal and interest payment in the amount SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00) on July 28th, 2011. Promisors shall also pay any collection fees due to Escrow Services. The estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with all other unpaid amounts under this note. Payments shall be applied first to penalties, then to interest and then to principal. Interest is calculated on a 365/365 simple interest basis. That is, by applying the ratio of the annual interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Acceleration of the payments under this note shall not relieve the Promisors of making the regularly scheduled payments, and all payments shall be applied in the inverse order of maturity. Payments will be made to MORRIS FIDELITY ESCROW LLC, P.O. Box 4026, Helena, Montana 59604, or at such other place the Holder may designate in writing.

**LATE CHARGE:** If a payment is more than ten (10) days late, a late charge of NINE HUNDRED AND 00/100 DOLLARS (\$900.00) shall be due. The late charge is in addition to actual costs of collection and/or legal fees for preparing and sending notice of default, and/or any other legal action and expenses related to default that may be incurred by the Promisees.

**PREPAYMENT:** Except for the payments called for in this note, no prepayment shall be allowed of any portion of the unpaid balance in the first three years unless a prepayment fee is paid. Payment of the principal balance or any portion thereof in the first year is subject to a prepayment penalty of 3% of the principal amount prepaid. Payment of the principal balance or any portion thereof in the second year is subject to a prepayment penalty of 2% of the principal amount prepaid. Payment of the principal balance or any portion thereof in the third year is subject to a prepayment penalty of 1% of the principal amount prepaid. Unless agreed to by Promisees in writing, early payments will not relieve Promisors of the obligation to continue to make payments under the payment schedule. Rather, they will reduce the principal balance due and may result in Promisors making fewer payments.

**DUE ON SALE:** In the event of a transfer, sale or assignment of any of the secured property, full payment of all amounts owing, both principal and accrued interest, including penalties and/or fees owing, shall be due and payable on closing of said sale. **PARTIAL RELEASES:** If Promisor is not then in default, and scheduled payments have been current for the last 90 days, Promisor shall be entitled to receive a partial release upon payment of the greater amount of SEVENTY-FIVE PERCENT of the sales price or \$7,000.00 per acre of any lot being released located in Gallatin County and further described in the Montana Mortgage dated July 28th, 2006. Any parcel sought to be released shall not isolate any

remaining property without reasonable access for utility purposes and for roadway purposes so that the remaining property has a road easement to a County road. Any payments for release prices shall be applied against the principal balance, and such payments shall be made in addition to all other payments required under this Note including the prepayment penalties described above. Upon receipt of said payment, the payment amount due on this note shall be reduced to reflect interest only payments per month until the due date of this note, at which time the entire balance is due in full.

**DEFAULT:** Promisors will be in default if any of the following occurs: (i) failure to make any payment when due, (ii) failure to comply with or to perform when due any other term, obligation, promise, covenant, or condition contained in this Note or any agreement related to this Note, (iii) default under any loan, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of the collateral described herein or Promisors' ability to repay this Note or perform Promisors' obligations under this Note or any of the Related Documents, (iv) any representation or statement made or furnished to Promisors by Promisors or on Promisors' behalf is false or misleading in any material respect either now or at the time made or furnished, (v) any creditor tries to take any of Promisors' property on or in which Promisors have a lien or security interest, (vi) any of the events described in this default section occurs with respect to any guarantor of this Note, (vii) a material adverse change occurs in Promisors' financial condition, or Promisors believe the prospect of payment or performance of the indebtedness is impaired, (viii) Promisors in good faith deem themselves insecure.

Upon default, Promisors may declare the entire principal balance and accrued unpaid interest immediately due, without notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the option in the event of any subsequent default. Promisors agree to pay all costs and expenses, subject to any limits under applicable law, incurred by Promisors, including attorneys' fees and legal expenses whether or not there is a lawsuit. This includes attorneys' fees and legal expenses incurred in collecting any delinquent payments, enforcing other covenants, for suit or foreclosure proceedings, for any bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), for appeals, and for any anticipated post-judgment collection services. In the event any of the Promisors file bankruptcy and Promisors are required to incur attorneys' fees and costs relative to the bankruptcy, Promisors' attorney fees and costs shall be allowed by Title 11 of the United States Code Chapter 506 and related provisions.

**GENERAL PROVISIONS:** Notwithstanding any other provision in this Note or in any instrument given to evidence or secure the obligations evidenced hereby, (i) the rates of interest and the charges provided herein and therein shall in no event exceed the rates and charges which result in interest being charged at a rate equaling the maximum allowed by law, and (ii) if for any reason whatsoever, the Promisors hereof receive as interest in connection with the transaction of which this note is a part an amount which would result in interest being charged at a rate exceeding the maximum rate allowed by law, such amount or portion thereof as would otherwise be excessive interest shall automatically be applied toward the reduction of the unpaid principal balance then outstanding hereunder and not toward the payment of interest.

The makers, sureties, guarantors, and endorser hereof, to the extent allowed by law, severally waive presentment, demand for payment, protest and notice of dishonor, and consent to any and all extensions of time renewals, waivers, or modifications that may be granted by the Promisors hereof with respect to the payment or other provisions of this Note, and to the release of any security or any part thereof with or without substitution. Presentment, notice and protest are hereby waived. The obligations under this Note are joint and several.

IN WITNESS WHEREOF, the undersigned has set their hand this 20th day of July 2006.

D & D MANAGEMENT AND  
DEVELOPMENT, INC., a Montana  
Corporation

BY: DAN KLEMAN as Vice President

DAN KLEMAN, Individually

DAN WOLSKY, Individually

Dan Wolsky by Dan Klemann by Attorney in Fact.

Printed Name: \_\_\_\_\_  
Notary Public for the State of \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

DONALD J. BICKEL

STATE OF                    )  
                                  : ss  
County of                    )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_ 2006, by **DONALD J. BICKEL.**

\_\_\_\_\_  
Printed Name:  
Notary Public for the State of  
Residing at:  
My Commission Expires:

**JACK C. DOWNES, and GAIL L. DOWNES**

JACK C. DOWNES

GAIL L. DOWNES

STATE OF                    )  
                                  : ss  
County of                    )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_ 2006, by **JACK C. DOWNES, and GAIL L. DOWNES.**

\_\_\_\_\_  
Printed Name:  
Notary Public for the State of  
Residing at:  
My Commission Expires:

**RONAN TELEPHONE COMPANY, EMPLOYEE PROFIT SHARING PLAN**

BY: JAY PRESTON

STATE OF                    )  
                                  : ss  
County of                    )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_ 2006, by **JAY PRESTON**  
of **RONAN TELEPHONE COMPANY, EMPLOYEE PROFIT SHARING PLAN.**

\_\_\_\_\_  
Printed Name:  
Notary Public for the State of  
Residing at:  
My Commission Expires:

After Recording Return To:  
**D & D MANAGEMENT AND DEVELOPMENT,**  
INC, a Montana Corporation  
466 Misty Vale Loop  
Corvallis, Montana 59828

**ROBERT D. STONE and CHERYL L. STONE**

\_\_\_\_\_  
**ROBERT D. STONE**

\_\_\_\_\_  
**CHERYL L. STONE**

STATE OF                    )  
                                  : ss  
County of                    )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_ 2006, by **ROBERT D. STONE and CHERYL L. STONE.**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public for the State of \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
**PETER W. STONE**

STATE OF                    )  
                                  : ss  
County of                    )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_ 2006, by **PETER W. STONE.**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public for the State of \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
**LEE ANNE CLINE**

STATE OF                    )  
                                  : ss  
County of                    )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_ 2006, by **LEE ANNE CLINE.**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public for the State of \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

ROBERT D. HANLEY

STATE OF                    )  
                                  : ss  
County of                    )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_ 2006, by **ROBERT D. HANLEY.**

Printed Name: \_\_\_\_\_  
Notary Public for the State of \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**THE BEEKS FAMILY TRUST**

BY: JERRY BEEKS  
*GERALD*

STATE OF                    )  
                                  : ss  
County of                    )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_ 2006, by *GERALD* ~~WILLIAM~~ **BEEKS of THE BEEKS FAMILY TRUST.**

Printed Name: \_\_\_\_\_  
Notary Public for the State of \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**KENNETH I. PIEDALUE and SUSAN J. PIEDALUE**

KENNETH I. PIEDALUE

SUSAN J. PIEDALUE

STATE OF                    )  
                                  : ss  
County of                    )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_ 2006, by **KENNETH I. PIEDALUE and SUSAN J. PIEDALUE.**

Printed Name: \_\_\_\_\_  
Notary Public for the State of \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**ESCROW AGREEMENT ADDENDUM**

**CAROLE S. ROMNEY**  
P.O. Box 113  
Lincoln, Montana 59639  
as to an undivided 27% interest

\_\_\_\_\_  
**CAROLE S. ROMNEY**

S.S.# \_\_\_\_\_

**DONALD J. BICKEL**  
P.O. Box 1075  
Lincoln, Montana 59639  
as to an undivided 4.5% interest

\_\_\_\_\_  
**DONALD J. BICKEL**

S.S.# \_\_\_\_\_

**JACK C. DOWNES, and GAIL L. DOWNES**  
705 Wolf Creek Drive  
Bigfork, Montana 59911  
as to an undivided 7% interest

\_\_\_\_\_  
**JACK C. DOWNES**

S.S.# \_\_\_\_\_

\_\_\_\_\_  
**GAIL L. DOWNES**

S.S.# \_\_\_\_\_

**RONAN TELEPHONE COMPANY,  
EMPLOYEE PROFIT SHARING PLAN**  
312 Main SW  
Ronan, Montana 59864  
as to an undivided 7% interest

\_\_\_\_\_  
**BY: JAY PRESTON**

FID# \_\_\_\_\_

**ROBERT D. STONE and CHERYL L. STONE**  
378 DuCharme Lane  
Polson, Montana 59860  
as to an undivided 13.5% interest

\_\_\_\_\_  
**ROBERT D. STONE**

S.S.# \_\_\_\_\_

\_\_\_\_\_  
**CHERYL L. STONE**

S.S.# \_\_\_\_\_

PETER W. STONE  
61529 Hwy 93  
Polson, Montana 59860  
as to an undivided 13.5% interest

PETER W. STONE

S.S.# \_\_\_\_\_

LEE ANNE CLINE  
1456 Mustang Road  
Helena, Montana 59602  
as to an undivided 4.5% interest

LEE ANNE CLINE

S.S.# \_\_\_\_\_

ROBERT D. HANLEY  
121 Bing Court  
Kalispell, Montana 59901  
as to an undivided 3.65% interest

ROBERT D. HANLEY

S.S.# \_\_\_\_\_

THE BEEKS FAMILY TRUST  
dated February 8<sup>th</sup>, 2000  
38 Littler Lane  
Polson, Montana 59860  
as to an undivided 16% interest

BY: ~~JERRY BEEKS~~ *GERALD BEEKS*

FID# \_\_\_\_\_

KENNETH I. PIEDALUE and SUSAN J. PIEDALUE  
P.O. Box 3  
Pablo, Montana 59855  
as to an undivided 3.75% interest

KENNETH I. PIEDALUE

S.S.# \_\_\_\_\_

SUSAN J. PIEDALUE

S.S.# \_\_\_\_\_



# **EXHIBIT D**

**Assets owned or with ownership interest by Respondents Robert Congdon, Keith Kovick,  
Dan Wolsky, D & D Management and Development, Cornerstone Financial Services**

**Real Estate:**

Geocode	Owner(s)	City or County Situs
15298702206010000	R. Congdon & K. Kovick	Ronan
15322804430070000	R. Congdon & K. Kovick	Polson
15322804430050000	R. Congdon & K. Kovick	Polson
15322804430060000	R. Congdon & K. Kovick	Polson
15322809123010000	R. Congdon & K. Kovick	Polson
15298702206019903	R. Congdon & K. Kovick	Ronan
15298702206019901	R. Congdon & K. Kovick	Ronan
15298702206019006	R. Congdon & K. Kovick	Ronan
15322905101100082	R. Congdon & K. Kovick	Polson
15322804425020000	R. Congdon & K. Kovick	Polson
06090302148257007	R. Congdon & K. Kovick	Belgrade
06090302148257006	R. Congdon & K. Kovick	Belgrade
06090302148257009	R. Congdon & K. Kovick	Belgrade
15335015201080000	Keith Kovick	Polson
35274614203220000	Keith Kovick	Paradise
35274614203240000	Keith Kovick	Paradise
15335020102010000	Keith Kovick	Polson
04220033301107027	Keith Kovick	Missoula
07407822307350000	D&D Management & Development	Kalispell
07407822307400000	D&D Management & Development	Kalispell
43159103301010000	D&D Management & Development	Broadwater County
43159110201030000	D&D Management & Development	Broadwater County
06090113201010000	D&D Management & Development	Gallatin County
06242020281314	D&D Management & Development	Schaumbury, Illinois
13146809204080000	Dan Wolsky	Corvallis
15322813303090000	Robert Congdon	Polson
153708191070000	Robert Congdon	Bigfork

**Other Real Estate:**

Address	City	Owner	Name
49518 Highway 93	Polson	Keith Kovick – 20%	Inspiration Corporation
820 Shoreline Drive	Polson	Keith Kovick – 20%	Raleigh's Bar and Grill

Liquor License:

License Number	License Type	Address	Licensed Premise	Owner
15-860-3746-002	All Alcohol	49518 Highway 93, Polson	820 Shoreline Dr, Polson	Keith Kovick – 20%

Any and all Bank, Credit Union, or other financial institution accounts:

Robert Congdon	Keith Kovick	Dan Wolsky	Dan Klemann	D&D Management & Development	Cornerstone Financial Services
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Vehicles:

VIN and description	Owners	City or County Situs
VIN #XPEG1850 1955 Red Coupe	Keith Kovick	
VIN #1HD1PFD193Y952862 2003 Gold Harley Davidson	Keith Kovick	
VIN #1FTWX33F1YEE39150 2000 Ford F350 Super Duty	Keith Kovick	
VIN #WP0CA2993YS654823 2000 Porsche 911 Carrera Convertible	Keith Kovick	
VIN #1FTWN31R68EC90007 2008 Black Ford F350 Super Duty	Keith Kovick	
VIN #5GRGN22U05H119525 2005 Red Hummer H2	Keith Kovick	
VIN #1GKEK63U33J224884 2003 Black GMC Yukon Denali	Keith Kovick	
VIN #J0092JGD20021 1979 Brown Rugged Terrain	Keith Kovick	
VIN #WP0EB0916HS161450 1987 Red Porsche 911 Carrera	Keith Kovick	
VIN #LCAA830T9FT053264 1985 Black Trailer	Keith Kovick	
VIN #WP0AB0911JS120339 1988 Blue Porsche Carrera	Keith Kovick	
VIN #1G2MG35X98Y100894 2008 Pontiac Solstice GXP	Keith Kovick	
VIN #5TFBV58187X005422 License Plate: FORPLA 2007 Double Cab	Keith Kovick	
VIN #WP0AB0913GS121856 1986 Porsche 911 Carrera	Keith Kovick	

VIN #WBAGC8317K2769639 MT License Plate: HUUDADY 1989 BMW 750IL	Keith Kovick	
VIN #WBAHD2317K2094891 1989 Tan BMW 535I	Keith Kovick	
VIN #1GKEK63R2YR195639 2000 Green GMC Denali	Keith Kovick	
VIN #1J4FY29SXSP246433 1995 Orange Jeep Wagoneer	Keith Kovick	
VIN #239074140 1969 Red Van	Keith Kovick	
HULL ID #TNRD70711798 16' Pleasure	Keith Kovick	
HULL ID #ZZNH0693 16' Pleasure	Keith Kovick	
VIN #K12260TDR80362 1968 White Mobile Home	Keith Kovick and Robert Congdon, Jointly Titled	
VIN #8646J 1973 Green Mobile Home	Keith Kovick and Robert Congdon, Jointly Titled	